

15 May 2018

Property | Real Estate

## Real Estate

**Overweight** (maintained)

### Still Upbeat Despite Near-Term Sideways Trend

Stocks Covered: 13  
Ratings (Buy/Neutral/Sell): 9 / 2 / 2

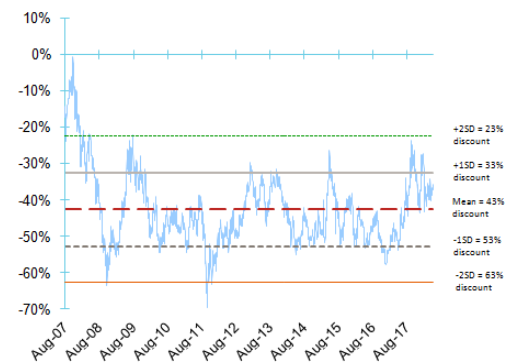
We keep our **OVERWEIGHT** rating on China's property sector. Without new austerity measures and further positive surprises in contracted sales, we believe the sector would trade sideways in the near term. However, the probable announcement of development details for the Greater Bay Area (GBA) may lift some stock prices. We maintain that, for the longer term, the consistent YoY growth of contracted sales and earnings would drive the rotation back to the sector. Moreover, the sector's valuation is returning to its historical mean level, in tandem with the recent market correction. Our **Top Picks** are Country Garden, CRL, Longfor and CIFI. Also, Agile Property, Country Garden, Evergrande and Shimao are likely to benefit from the GBA investment theme.

#### Top Picks

Company	Rating	Target Price
Country Garden (2007 HK) – BUY		HKD22.00
China Resources Land (1109 HK) – BUY		HKD31.50
Longfor (960 HK) – BUY		HKD26.30
CIFI (884 HK) – BUY		HKD7.80

#### Target Price

Property stocks should continue to trade sideways for some time

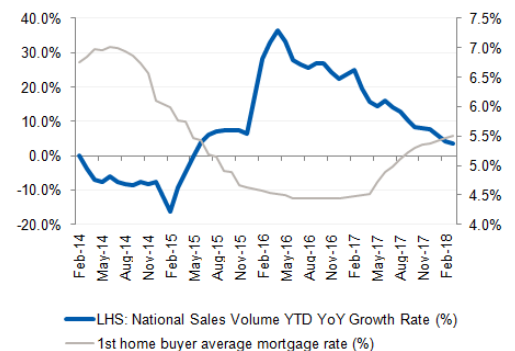


Source: Bloomberg, RHB

**April contracted sales revenue a slight miss.** The 31 developers tracked by RHB posted a 28.8% YoY growth in contracted sales revenue in April, but showed a 4.7% MoM decline. It was a slight miss, as April was supposed to be a peak season along with March – although the contracted ASP remained robust (+1.7% MoM, +5.7% YoY). For 4M18, the contracted sales revenue growth remained steady, at 29.7% YoY (vs 30% in 3M18). The marginal slowdown in YoY growth can be explained by the rising base in the same period of 2017. On the other hand, the 12 developers under our coverage (ex-China South City) posted a 32.4% YoY growth in 4M18 contracted sales value, which still exceeds our 25-30% projection (3M18: 33.1% YoY). Also, we noticed the contracted ASP growth reaccelerated to 4.3% YoY (vs 3.8% in 3M18 and 4.2% in 4M17).

**A likely breather for contracted sales in the near term.** We maintain our view that developers' contracted sales could grow by 25-30% YoY in the next two months, but the MoM change may remain sluggish. The nationwide data would be more stagnant, as the property sales volume is heading to a flat YoY change.

Mortgage rate not likely to peak in 2018; national GFA transacted to maintain low-single digit YoY growth



Source: NBS, WIND, RHB

**Remain more confident over the next 6-12 months,** as national property sales may beat the consensus estimate, and grow 4.3% YoY (consensus estimate: 3-5% YoY). In the meantime, the demand-supply imbalance should remain in Tier-1&2 cities, and the negative or decelerating growth of headline housing prices (as per the most recent 70 cities data (see Figure 3 for the most recent national data)) was largely distorted by the Central Government's austerity measures on the supply of new homes and price controls.

Furthermore, despite the mortgage rate (for first-home buyers) being on a rising trajectory, it remains low at 5.6%, compared with 2014's high of 7%. Unless policymakers hike interest rates faster than expected, we do not see any catalyst that would drive a significant slump in national GFA sold, similar to 2014.

**Still OVERWEIGHT on the sector.** We reaffirm our view that the property sector should be trading sideways for some time this quarter. However, the consistent YoY growth of contracted sales and earnings growth remains intact – and this supports our rating for the longer term.

Company	Stock code	Rating	TP (HKD)	Price (HKD)	End-FY18F ENAV (HKD)	ENAV disc/(prem) (%)
Agile Property	3383 HK	BUY	20.00	16.36	34.00	52%
COGO	81 HK	SELL	2.30	3.66	6.60	45%
COLI	688 HK	BUY	36.60	27.60	43.00	36%
China Resources Land	1109 HK	BUY	31.50	30.30	42.00	28%
China South City	1668 HK	BUY	2.20	1.72	6.30	73%
CIFI Holdings	884 HK	BUY	7.80	6.50	10.40	38%
Country Garden	2007 HK	BUY	22.00	16.32	25.80	37%
Evergrande	3333 HK	BUY	31.70	25.35	42.20	40%
Greentown China	3900 HK	SELL	7.10	11.60	20.30	43%
KWG Property	1813 HK	NEUTRAL	10.00	11.66	22.30	48%
Longfor	960 HK	BUY	26.30	24.05	35.10	31%
Shimao Property	813 HK	BUY	30.00	22.30	40.00	44%
Sunac	1918 HK	NEUTRAL	31.00	35.55	41.30	14%

Source: Company data, RHB

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## Developers' Contracted Sales In April

Figure 1: Contracted sales summary for April

Developer	Ticker	Contracted sales revenue				Contracted sales volume				Contracted ASP			
		Apr 18	Mar 18	% mom	% yoy	Apr 18	Mar 18	% mom	% yoy	Apr 18	Mar 18	% mom	% yoy
		(CNY bn)	(%)	(%)	(%)	(sqm)	(%)	(%)	(%)	(CNY/sqm)	(%)	(%)	(%)
Country Garden	2007 HK	69.6	64.1	8.5%	30.0%	7,000,000	6,770,000	3.4%	18.2%	9,936	9,473	4.9%	9.9%
Evergrande	3333 HK	50.4	49.4	2.1%	33.1%	4,648,000	4,715,000	(1.4%)	26.3%	10,841	10,471	3.5%	5.4%
China Vanke	000002 CH	41.9	50.7	(17.3%)	(0.0%)	2,576,000	3,637,000	(29.2%)	(11.1%)	16,262	13,935	16.7%	12.5%
Sunac	1918 HK	35.2	30.8	14.1%	83.5%	2,066,000	1,829,000	13.0%	116.3%	17,028	16,851	1.1%	(15.2%)
Poly Real Estate	600048 CH	32.5	33.6	(3.5%)	23.9%	2,104,100	2,183,500	(3.6%)	13.7%	15,429	15,405	0.2%	9.0%
COLI*	688 HK	20.2	23.5	(14.3%)	5.7%	1,096,700	1,170,300	(6.3%)	(9.9%)	18,378	20,088	(8.5%)	17.3%
Longfor	960 HK	14.6	14.8	(1.2%)	(14.3%)	915,000	898,000	1.9%	(23.9%)	15,923	16,425	(3.1%)	12.7%
CR Land	1109 HK	14.2	17.4	(18.6%)	34.1%	791,790	1,123,468	(29.5%)	20.4%	17,896	15,488	15.6%	11.3%
Greentown	3900 HK	13.4	12.1	10.7%	8.1%	710,000	630,000	12.7%	2.9%	18,873	19,206	(1.7%)	5.0%
Future Land	1030 HK	12.7	18.8	(32.6%)	39.5%	983,000	1,321,100	(25.6%)	51.7%	12,924	14,257	(9.4%)	(8.1%)
CIFI	884 HK	11.0	10.2	8.2%	49.2%	746,600	654,900	14.0%	73.7%	14,787	15,575	(5.1%)	(14.1%)
Gemdale	600383 CH	10.5	13.4	(21.6%)	19.6%	632,000	794,000	(20.4%)	15.3%	16,630	16,889	(1.5%)	3.7%
China Jinmao	817 HK	10.0	8.1	24.5%	434.6%	391,592	262,891	49.0%	303.1%	25,589	30,627	(16.5%)	32.6%
R&F	2777 HK	8.9	11.8	(24.6%)	21.2%	672,400	1,009,100	(33.4%)	9.9%	13,192	11,664	13.1%	10.2%
Agile	3383 HK	8.3	8.8	(6.2%)	37.9%	630,000	637,000	(1.1%)	21.6%	13,159	13,878	(5.2%)	13.4%
Shimao	813 HK	8.1	15.8	(48.7%)	30.3%	515,352	1,014,966	(49.2%)	42.9%	15,723	15,564	1.0%	(8.8%)
Sino-Ocean	3377 HK	7.5	8.0	(6.5%)	35.9%	396,000	410,000	(3.4%)	42.7%	18,939	19,561	(3.2%)	(4.8%)
China Aoyuan	3883 HK	7.2	5.5	31.1%	187.3%	757,000	499,000	51.7%	206.5%	9,524	11,022	(13.6%)	(6.3%)
KWG	1813 HK	5.3	5.1	4.0%	101.2%	302,000	288,000	4.9%	263.9%	17,417	17,569	(0.9%)	(44.7%)
Poly (HK)	119 HK	4.7	3.4	38.2%	9.3%	243,000	220,000	10.5%	12.5%	19,342	15,455	25.2%	(2.8%)
Kaisa	1638 HK	4.3	3.1	40.0%	30.8%	266,867	194,331	37.3%	27.2%	16,038	15,731	2.0%	2.8%
Yuexiu	123 HK	4.2	5.3	(20.0%)	10.4%	183,000	225,600	(18.9%)	(24.6%)	23,186	23,506	(1.4%)	46.4%
COGO*	81 HK	4.1	3.3	25.5%	34.8%	330,000	274,100	20.4%	8.4%	12,370	11,868	4.2%	24.3%
Yuzhou	1628 HK	4.0	4.5	(11.7%)	3.1%	270,472	347,280	(22.1%)	23.2%	14,837	13,082	13.4%	(16.3%)
Central China	832 HK	2.8	2.6	6.1%	141.8%	333,078	398,236	(16.4%)	87.9%	8,340	6,577	26.8%	28.7%
China SCE	1966 HK	2.5	3.6	(30.0%)	48.5%	189,453	274,861	(31.1%)	91.9%	13,344	13,141	1.5%	(22.6%)
BCL	2868 HK	2.5	2.6	(4.6%)	23.8%	146,000	128,000	14.1%	(14.1%)	17,123	20,469	(16.3%)	44.1%
Powerlong	1238 HK	2.0	2.6	(25.0%)	61.1%	141,346	188,076	(24.8%)	26.1%	13,916	13,936	(0.1%)	27.8%
Fantasia	1777 HK	1.8	1.5	18.3%	120.6%	197,563	166,054	19.0%	95.1%	9,101	9,154	(0.6%)	13.1%
Hopson	754 HK	0.9	0.6	43.3%	(31.2%)	71,379	36,988	93.0%	(29.6%)	12,707	17,114	(25.8%)	(2.2%)
Shui On Land	272 HK	0.4	1.0	(57.5%)	(56.3%)	10,800	46,800	(76.9%)	(59.4%)	38,519	20,897	84.3%	7.5%
<b>Total / average</b>		<b>415.5</b>	<b>436.0</b>	<b>(4.7%)</b>	<b>28.8%</b>	<b>30,316,492</b>	<b>32,347,551</b>	<b>(6.3%)</b>	<b>21.9%</b>	<b>13,705</b>	<b>13,480</b>	<b>1.7%</b>	<b>5.7%</b>

Note: \* COLI & COGO contracted sales revenue and ASP are denominated in HKD

Source: RHB

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Figure 2: Contracted sales summary for 4M18

Developer	Ticker	4M18	4M17	4M18	FY18	4M18	FY17	4M17
		sales (CNY bn)	sales (CNY bn)	% yoy (%)	target (CNY bn)	lock-in (%)	actual sales (CNY bn)	lock-in (%)
Country Garden	2007 HK	257.5	204.2	26.1%	n.a.	n.a.	550.8	37.1%
Evergrande	3333 HK	212.3	144.8	46.6%	550.0	38.6%	501.0	28.9%
China Vanke	000002 CH	196.2	192.2	2.1%	n.a.	n.a.	529.9	36.3%
Poly Real Estate	600048 CH	119.4	83.6	42.8%	n.a.	n.a.	309.2	27.0%
Sunac	1918 HK	107.3	59.7	79.7%	450.0	23.8%	362.0	16.5%
COLI*	688 HK	86.0	76.2	12.8%	290.0	29.6%	232.1	32.9%
Longfor	960 HK	58.6	60.0	(2.4%)	200.0	29.3%	156.1	38.5%
Future Land	1030 HK	50.6	32.2	56.8%	180.0	28.1%	126.5	25.5%
CR Land	1109 HK	50.3	41.0	22.8%	183.0	27.5%	152.1	27.0%
China Jinmao	817 HK	48.7	11.5	325.2%	90.0	54.1%	69.3	16.5%
Greentown	3900 HK	41.3	34.7	19.0%	n.a.	n.a.	146.3	23.7%
Shimao	813 HK	41.0	26.8	53.2%	140.0	29.3%	100.8	26.6%
CIFI	884 HK	38.2	30.7	24.5%	140.0	27.3%	104.0	29.5%
Gemdale	600383 CH	36.6	42.1	(12.9%)	n.a.	n.a.	140.8	29.9%
R&F	2777 HK	33.0	23.3	41.7%	130.0	25.4%	81.9	28.4%
Agile	3383 HK	29.5	27.3	8.0%	110.0	26.8%	89.7	30.4%
Sino-Ocean	3377 HK	23.5	17.6	33.8%	100.0	23.5%	70.6	24.9%
China Aoyuan	3883 HK	20.8	8.6	142.9%	73.0	28.5%	45.6	18.8%
KWG	1813 HK	20.0	8.7	130.1%	n.a.	n.a.	28.7	30.3%
Poly (HK)	119 HK	14.4	14.3	0.7%	n.a.	n.a.	37.9	37.7%
Yuzhou	1628 HK	14.4	14.0	2.3%	60.0	23.9%	40.3	34.8%
Yuexiu	123 HK	14.2	12.9	10.7%	55.0	25.9%	40.9	31.5%
China SCE	1966 HK	14.2	8.5	66.7%	50.0	28.3%	33.2	25.5%
COGO*	81 HK	13.2	7.4	78.7%	n.a.	n.a.	37.1	20.0%
Kaisa	1638 HK	12.2	11.2	8.4%	n.a.	n.a.	44.7	25.1%
BCL	2868 HK	11.0	14.7	(25.0%)	75.0	14.7%	55.9	26.3%
Powerlong	1238 HK	8.6	5.5	55.6%	35.0	24.6%	20.9	26.5%
Central China	832 HK	8.4	5.9	43.9%	45.0	18.7%	30.4	19.3%
Fantasia	1777 HK	6.3	3.6	74.9%	n.a.	n.a.	20.2	18.0%
Hopson	754 HK	2.6	3.1	(15.3%)	n.a.	n.a.	9.2	33.2%
Shui On Land	272 HK	2.1	1.9	5.9%	n.a.	n.a.	10.4	18.6%
<b>Total / average</b>		<b>1,592.3</b>	<b>1,228.0</b>	<b>29.7%</b>	<b>2,956.0</b>	<b>29.5%</b>	<b>4,178.3</b>	<b>29.4%</b>

Note: \* COLI & COGO contracted sales revenue and ASP are denominated in HKD

Source: RHB

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## Key Statistics Of The National Property Market

Figure 3: Key statistics

	Unit	Absolute Amount						RHB 2018F	YoY Change						RHB 2018F
		2015	2016	2017	3M17	2M18	3M18		2015	2016	2017	3M17	2M18	3M18	
<b>Real Estate Investments</b>															
Real Estate Investment	CNY bn	9,598	10,258	10,980	1,929	1,083	2,129		1.0%	6.9%	7.0%	9.1%	9.9%	10.4%	
Real Estate Investment: Residential Properties	CNY bn	6,460	6,870	7,515	1,298	738	1,470		0.4%	6.4%	9.4%	11.2%	12.3%	13.3%	
GFA Under Construction	m sqm	7,357	7,590	7,815	6,370	6,320	6,466		1.3%	3.2%	3.0%	3.1%	1.5%	1.5%	
GFA Under Construction: Residential Properties	m sqm	5,116	5,213	5,364	4,332	4,307	4,415		(0.7%)	1.9%	2.9%	2.2%	1.8%	1.9%	
GFA New Starts	m sqm	1,545	1,669	1,787	316	177	346		(14.0%)	8.1%	7.0%	11.6%	2.9%	9.7%	
GFA New Starts: Residential Properties	m sqm	1,067	1,159	1,281	228	130	255		(14.6%)	8.7%	10.5%	18.1%	5.0%	12.2%	
GFA Completed	m sqm	1,000	1,061	1,015	230	142	207		(6.9%)	6.1%	(4.4%)	15.1%	(12.1%)	(10.1%)	
GFA Completed: Residential Properties	m sqm	738	772	718	165	97	142		(8.8%)	4.6%	(7.0%)	13.7%	(17.1%)	(14.0%)	
<b>Land Market</b>															
Land Area Sold	m sqm	228	220	255	38	23	38		(31.7%)	(3.4%)	15.8%	5.7%	(1.2%)	0.5%	
Land Premium	CNY bn	762	913	1,364	136	79	163		(23.9%)	19.8%	49.4%	16.7%	(0.0%)	20.3%	
Land Premium Per Sqm	CNY / sqm	3,341	4,145	5,349	3,592	3,388	4,297		11.3%	24.1%	29.0%	10.3%	1.2%	19.6%	
<b>Commodity Property Market</b>															
National GFA Sold	m sqm	1,285	1,573	1,694	290	146	301	1,711	6.5%	22.5%	7.7%	19.5%	4.1%	3.6%	1.0%
National GFA Sold: Residential Properties	m sqm	1,124	1,375	1,448	255	127	261	1,458	6.9%	22.4%	5.3%	16.9%	2.3%	2.5%	0.7%
National Property Sales	CNY bn	8,728	11,763	13,370	2,318	1,245	2,560	13,949	14.4%	34.8%	13.7%	25.1%	15.3%	10.4%	4.3%
National Property Sales: Residential Properties	CNY bn	7,275	9,906	11,024	1,940	1,055	2,161	11,376	16.6%	36.2%	11.3%	20.2%	15.7%	11.4%	3.2%
National Property Prices	CNY / sqm	6,793	7,476	7,892	7,984	8,511	8,507	8,153	7.4%	10.1%	5.6%	4.7%	10.7%	6.6%	3.3%
National Property Prices: Residential Properties	CNY / sqm	6,472	7,203	7,614	7,612	8,292	8,275	7,804	9.1%	11.3%	5.7%	2.9%	13.1%	8.7%	2.5%
<b>Contracted Sales (31 Developers Tracked by RHB)</b>															
Contracted Sales Revenue	CNY bn	1,706	2,704	4,178	905	741	1,177	5,412	N/A	58.5%	54.5%	84.4%	46.2%	30.0%	29.5%
% of National Commodity Property Sales (Value)	%	19.6%	23.0%	31.3%	39.1%	59.5%	46.0%	38.8%							
Contracted Sales, by area sold	m sqm	158	225	316	70	57	89		N/A	42.7%	40.3%	69.7%	39.0%	27.6%	
Contracted ASP	CNY / sqm	10,807	12,000	13,213	12,908	12,964	13,150		N/A	11.0%	10.1%	8.7%	5.2%	1.9%	
<b>Contracted Sales (12 Developers Covered by RHB, ex CSC)</b>															
Contracted Sales Revenue, ex CSC	CNY bn	952	1,574	2,461	527	446	701	3,255	N/A	65.3%	56.3%	96.1%	46.5%	33.1%	32.3%
% of National Commodity Property Sales (Value)	%	10.9%	13.4%	18.4%	22.7%	35.8%	27.4%	23.3%							
Contracted Sales, by area sold, ex CSC	m sqm	95	140	201	45	38	58		N/A	48.0%	43.2%	87.5%	38.6%	28.2%	
Contracted ASP, ex CSC	CNY / sqm	10,052	11,229	12,263	11,672	11,781	12,119		N/A	11.7%	9.2%	4.6%	5.7%	3.8%	
<b>Inventory Digestion</b>															
National Inventory	m sqm	719	695	589	688	585	573		15.6%	(3.2%)	(15.3%)	(6.4%)	(17.1%)	(16.7%)	
National Inventory: Residential Properties	m sqm	452	403	302	391	301	292		11.2%	(11.0%)	(25.1%)	(15.0%)	(26.0%)	(25.4%)	
<b>70 Cities Home Prices</b>															
70 Cities Residential Commodity Home Price	%								0.3%	10.8%	5.8%	10.3%	5.8%	5.5%	
70 Cities Residential Home Price - Tier 1	%								21.3%	27.1%	0.6%	18.1%	(0.1%)	(0.6%)	
70 Cities Residential Home Price - Tier 2	%								1.6%	18.0%	4.3%	15.5%	4.3%	4.1%	
70 Cities Residential Home Price - Tier 3	%								(2.2%)	6.0%	6.9%	7.2%	7.0%	6.7%	
70 Cities Pre-owned Residential Home Price	%								1.1%	7.9%	5.0%	7.8%	4.7%	4.3%	
70 Cities Pre-owned Residential Home Price - Tier 1	%								21.7%	28.7%	2.5%	18.7%	1.5%	(0.1%)	
70 Cities Pre-owned Residential Home Price - Tier 2	%								1.7%	14.3%	5.4%	13.3%	4.7%	4.1%	
70 Cities Pre-owned Residential Home Price - Tier 3	%								(0.9%)	3.1%	5.1%	4.3%	5.0%	4.8%	

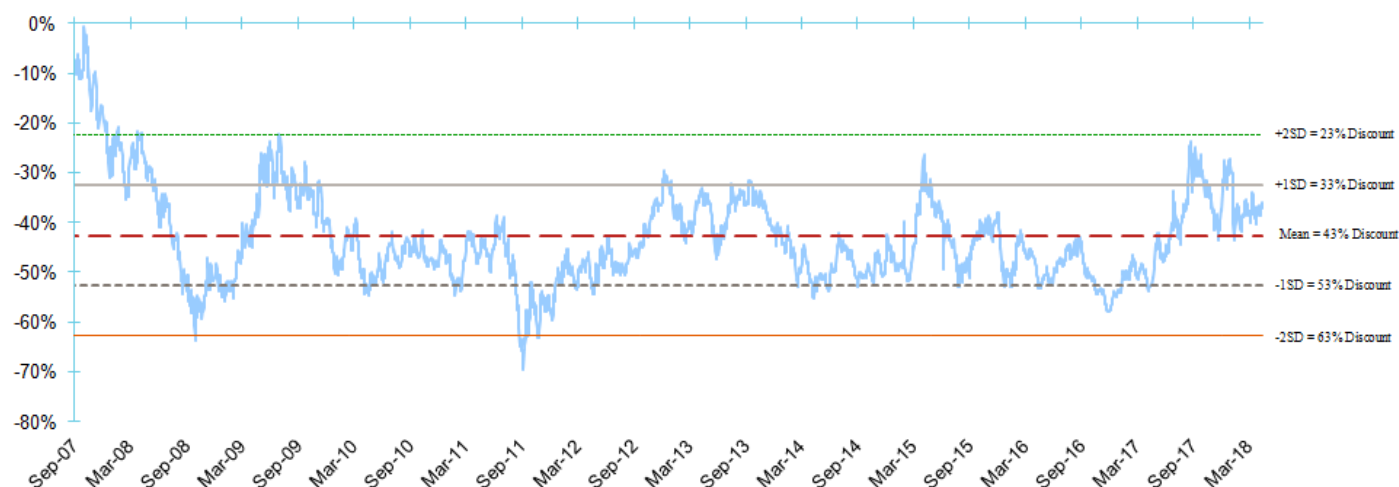
Source: NBS, Wind, RHB



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## Sector Valuation

Figure 4: China property sector – past 10-year ENAV discount bands



Source: RHB

## Peer Comparison

Figure 5: Peer comparison I

Company	Stock code	*Price (HKD)	Mkt cap (USDm)	3-mth avg t/o (USDm)	RHB/Cons NAV (HKD)	Discount to NAV (%)	P/E FY18F (x)	P/E FY19F (x)	EPS YoY change FY18F (%)	EPS YoY change FY19F (%)	3-yr EPS CAGR (%)	P/BV FY18F (x)	P/BV FY19F (x)	Div yield FY18F (%)	Div yield FY19F (%)
<b>Large peer average</b>						<b>27.3</b>	<b>8.1</b>	<b>6.4</b>	<b>20.1</b>	<b>26.9</b>	<b>22.0</b>	<b>1.8</b>	<b>1.5</b>	<b>4.7</b>	<b>5.4</b>
China Vanke	2202 HK	32.00	48,235	33.5	33.34	4.0	8.2	6.7	24.6	22.0	18.8	1.8	1.6	4.5	5.6
**Country Garden	2007 HK	16.32	45,200	111.1	25.80	36.7	8.4	6.2	35.2	35.0	30.5	2.3	1.8	4.1	5.3
**Evergrande	3333 HK	25.35	42,557	57.6	42.20	39.9	6.9	5.7	-2.9	20.8	12.6	2.0	1.7	8.4	7.8
**China Overseas	688 HK	27.60	38,522	59.1	43.00	35.8	7.5	6.3	18.3	18.0	17.4	1.0	0.9	3.4	4.0
**CR Land	1109 HK	30.30	26,753	48.8	42.00	27.9	8.6	7.3	27.3	17.8	20.4	1.3	1.2	4.0	4.7
**Sunac	1918 HK	35.55	19,937	76.9	41.30	13.9	9.2	5.6	11.9	63.8	38.7	2.3	1.7	2.3	3.5
**Longfor	960 HK	24.05	18,141	14.9	35.10	31.5	9.1	7.2	27.3	26.0	25.4	1.4	1.3	4.3	5.5
<b>Mid-and-small peer average</b>						<b>34.9</b>	<b>8.1</b>	<b>6.7</b>	<b>30.3</b>	<b>21.3</b>	<b>19.9</b>	<b>0.9</b>	<b>0.7</b>	<b>5.0</b>	<b>6.1</b>
**Shimao	813 HK	22.30	9,622	18.5	40.00	44.3	6.6	5.4	32.7	23.2	26.7	0.9	0.8	5.8	7.2
**Agile	3383 HK	16.36	8,164	18.5	34.00	51.9	7.0	5.7	21.3	24.0	22.6	1.2	1.0	6.6	8.1
Guangzhou R&F	2777 HK	19.24	7,898	17.2	20.86	7.8	5.0	4.1	31.5	22.9	25.6	0.8	0.7	8.1	9.8
China Jinmao	817 HK	4.73	6,976	17.8	5.23	9.6	8.8	6.8	18.3	29.8	29.6	1.1	1.0	4.6	5.7
**CIFI	884 HK	6.50	6,346	25.0	10.40	37.5	7.2	5.6	25.9	28.9	26.6	1.5	1.3	4.9	6.4
Sino-Ocean	3377 HK	5.65	5,463	7.4	6.80	16.9	7.0	5.8	22.3	19.7	23.0	0.7	0.6	6.2	7.5
**KWG	1813 HK	11.66	4,687	14.7	22.30	47.7	6.3	4.8	54.6	30.7	35.8	0.9	0.8	5.5	7.1
Shenzhen Inv	604 HK	3.27	3,357	4.0	8.50	61.5	8.7	7.4	-27.1	17.3	-6.1	0.6	0.5	5.6	6.3
Kaisa	1638 HK	4.42	3,414	6.4	5.60	21.1	2.5	1.9	214.5	N/A	N/A	1.1	N/A	N/A	N/A
**Greentown	3900 HK	11.60	3,203	7.1	20.30	42.9	9.6	8.6	27.3	11.4	15.8	0.7	0.7	2.1	2.3
Yuexiu Property	123 HK	1.80	2,844	7.8	1.86	3.2	7.2	5.8	7.1	22.7	16.2	0.5	0.5	5.5	6.8
SOHO China	410 HK	3.99	2,643	4.5	7.30	45.3	37.0	28.8	N/A	28.7	N/A	0.5	0.5	4.0	4.7
Hopson	754 HK	8.14	2,308	1.5	13.08	37.8	12.9	12.7	N/A	1.6	N/A	N/A	N/A	2.3	2.3
Shui On Land	272 HK	2.17	2,229	4.5	5.90	63.2	9.2	8.4	-20.4	9.5	0.2	0.3	0.3	2.7	2.7
**CSC	1668 HK	1.72	1,755	3.1	6.30	72.7	8.3	7.3	N/A	14.5	21.5	0.5	0.5	2.9	3.9
Poly HK	119 HK	3.74	1,744	4.6	7.00	46.6	6.9	7.1	49.5	-2.8	N/A	0.5	0.5	4.0	3.8
**COGO	81 HK	3.66	1,596	4.5	6.60	44.5	5.5	4.2	39.5	30.6	26.6	0.6	0.5	1.4	2.0
Fantasia	1777 HK	1.51	1,109	2.1	2.60	41.9	5.1	3.9	20.0	29.2	24.9	0.6	0.4	3.3	6.0
<b>Sector average</b>						<b>29.1</b>	<b>8.1</b>	<b>6.5</b>	<b>22.6</b>	<b>25.6</b>	<b>21.5</b>	<b>1.6</b>	<b>1.3</b>	<b>4.8</b>	<b>5.6</b>

Note: \*Prices are as at 14 May 2018,

Note2: \*\*Under RHB's coverage

Source: RHB, Bloomberg

15 May 2018

Figure 6: Peer comparison II

Company	Stock	Mkt cap	Revenue		Net profit		Gross margin	Net margin		Net gearing		ROE		Share price change	
	code		FY17	FY18F	FY17	FY18F	FY17	FY17	FY18F	FY17	FY18F	FY17	FY18F	1-mth	YTD
		(USDm)	(USDm)	(USDm)	(USDm)	(USDm)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
<b>Large peer average</b>							<b>31.8</b>	<b>15.8</b>	<b>12.6</b>	<b>96.3</b>	<b>14.6</b>	<b>24.5</b>	<b>22.6</b>	<b>-2.1</b>	<b>11.5</b>
China Vanke	2202 HK	48,235	37,454	49,700	4,427	5,523	32.3	11.8	11.1	14.1	N/A	22.8	22.9	-5.2	2.6
Country Garden	2007 HK	45,200	35,806	55,302	4,113	5,355	25.9	11.5	9.7	55.0	0.0	31.8	29.3	-1.3	9.5
Evergrande	3333 HK	42,557	49,081	70,069	3,846	6,139	36.1	7.8	8.8	237.8	N/A	30.7	33.7	-7.3	-5.9
China Overseas	688 HK	38,522	20,888	27,250	5,193	5,170	33.4	24.9	19.0	27.1	12.8	16.7	14.5	0.0	9.7
CR Land	1109 HK	26,753	15,107	19,002	2,932	3,102	40.3	19.4	16.3	43.1	23.7	17.7	16.3	3.1	31.7
Sunac	1918 HK	19,937	10,395	21,969	1,844	2,195	20.7	17.7	10.0	249.1	N/A	32.8	24.0	-1.3	9.9
Longfor	960 HK	18,141	11,374	15,179	1,988	1,996	33.9	17.5	13.1	47.8	21.9	19.0	17.4	-2.6	22.8
<b>Mid-and-small peer average</b>							<b>33.3</b>	<b>32.2</b>	<b>12.7</b>	<b>87.5</b>	<b>40.5</b>	<b>14.3</b>	<b>12.3</b>	<b>-2.0</b>	<b>12.5</b>
Shimao	813 HK	9,622	11,114	13,458	1,237	1,462	30.4	11.1	10.9	61.1	53.7	14.2	14.8	1.4	31.2
Agile	3383 HK	8,164	8,144	10,048	1,025	1,154	40.1	12.6	11.5	93.8	10.6	16.8	17.2	-3.1	37.9
Guangzhou R&F	2777 HK	7,898	9,354	12,308	3,366	1,576	35.4	36.0	12.8	188.8	76.5	40.2	15.5	-2.0	9.2
China Jinmao	817 HK	6,976	4,904	6,620	628	756	32.3	12.8	11.4	69.1	53.9	12.9	13.1	3.5	37.5
CIFI	884 HK	6,346	5,022	6,379	762	875	27.1	15.2	13.7	49.4	N/A	26.9	22.3	-1.1	38.0
Sino-Ocean	3377 HK	5,463	7,233	8,176	807	779	24.5	11.2	9.5	66.5	26.1	11.1	9.9	-2.8	4.8
KWG	1813 HK	4,687	1,822	2,567	571	718	34.8	31.4	28.0	72.4	38.5	14.0	15.6	4.9	27.7
Shenzhen Inv	604 HK	3,357	1,306	2,383	631	381	34.6	48.3	16.0	22.0	N/A	13.3	7.1	-2.7	0.9
Kaisa	1638 HK	3,414	5,173	10,863	518	1,353	27.3	10.0	12.5	326.2	N/A	20.5	38.5	-2.2	0.2
Greentown	3900 HK	3,203	6,620	6,951	346	320	19.2	5.2	4.6	59.1	48.4	6.5	6.6	0.2	15.3
Yuexiu Property	123 HK	2,844	3,755	4,258	357	390	25.7	9.5	9.2	72.9	45.0	7.2	7.4	-5.3	23.3
SOHO China	410 HK	2,643	310	311	747	78	74.0	241.2	25.2	51.4	N/A	14.1	1.5	-3.4	-12.7
Hopson	754 HK	2,308	1,761	N/A	738	N/A	36.8	41.9	N/A	71.9	N/A	9.8	N/A	-4.7	6.3
Shui On Land	272 HK	2,229	2,912	2,680	354	244	42.6	12.2	9.1	55.1	N/A	4.4	4.1	-0.5	0.5
CSC	1668 HK	1,755	999	1,262	551	228	44.8	55.1	18.1	78.2	N/A	16.0	10.5	-4.4	-16.1
Poly HK	119 HK	1,744	4,039	4,863	314	285	20.6	7.8	5.9	72.1	N/A	9.3	6.6	-3.6	-8.1
COGO	81 HK	1,596	2,583	3,327	162	242	20.1	6.3	7.3	77.6	11.3	10.6	11.4	-0.5	-12.2
Fantasia	1777 HK	1,109	1,544	2,156	182	216	29.6	11.8	10.0	87.1	N/A	9.8	7.5	-9.0	41.1
<b>Average</b>							<b>32.9</b>	<b>27.6</b>	<b>12.6</b>	<b>89.9</b>	<b>32.5</b>	<b>17.2</b>	<b>15.3</b>	<b>-2.0</b>	<b>12.2</b>

Note: \*Prices are as at 14 May 2018,

Note2: \*\*Under RHB's coverage

Source: RHB, Bloomberg

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**Neutral:** Share price may fall within the range of +/- 10% over the next 12 months

**Take Profit:** Target price has been attained. Look to accumulate at lower levels

**Sell:** Share price may fall by more than 10% over the next 12 months

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